

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2003-111

May 11, 2004

BANGOR GAS COMPANY, LLC  
Proposed Cost of Gas Adjustment  
(\$4703)

ORDER APPROVING  
GAS SURCHARGE  
REDUCTION

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

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**I. SUMMARY**

We approve Bangor Gas Company LLC's (Bangor Gas) proposal to reduce its gas cost adjustment surcharge.

**II. PROCEDURAL HISTORY**

In our April 29, 2003 Order, we approved the recovery of Bangor Gas's Winter 2002-2003 under-collection over two winter periods beginning November 1, 2003. On October 22, 2003, in Docket No. 2003-606, the Commission approved a change in Bangor Gas's CGA mechanism from a six-month seasonal rate to a monthly rate. In that Order, the Commission allowed Bangor Gas to net the anticipated Summer 2003 over-collection against the Winter 2002-2003 under-collection, then collect that net under-collection from its customers by way of a uniform surcharge over the next twenty-four months beginning with November 2003. Footnote 7 stated: "While the surcharge amount of \$0.56 per decatherm was calculated assuming a recovery period of 24-months, the parties agree that Bangor Gas should file an adjustment to its rates when it foresees that the amount will be fully, or substantially, recovered."

In keeping with the originally intended twenty-four month recovery period, on April 20, 2004, Bangor Gas filed a proposal to reduce the rate charged its customers to recover the under-collection of the Winter 2002-2003 gas costs, from \$0.056 to \$0.039 per therm. On May 4, 2004, Bangor Gas, the Office of Public Advocate and the Staff discussed the Company's proposal. At that meeting, both parties waived comment on the proposed order.

**III. ANALYSIS**

In its filing, Bangor Gas indicated that upon the review of the March 2004 ending balance, it found that the under-collection was being recovered more quickly than anticipated as a result of increased customer load growth and throughput. Therefore, it proposes to reduce the month per therm charge to a level that would recover the remaining balance over the remainder of the 24-month period, ending October 2005. This would reduce the rate that both current and future customers would pay on a

per therm basis and would allow the price that Bangor Gas charges to be somewhat closer to market prices.

Rather than reduce the surcharge, another option would be to maintain the current \$0.056 surcharge. Under this approach, the under-collection would be extinguished sooner, by March 2005 according to current estimates. Both are acceptable options. We find Bangor's proposal to reduce the surcharge and recover the costs over the remainder of the 24-month recovery period reasonable.

#### IV. CONCLUSION

Upon reviewing the options before us, we approve Bangor Gas's proposal to reduce the rate that it includes in the Past Gas Cost Adjustment from \$0.056 per therm to \$0.039 per therm, with the requirement that Bangor Gas monitor its recoveries to determine whether they are proceeding as anticipated or whether further adjustment is warranted.

Accordingly, we

#### ORDER

1. That Bangor Gas's Past Gas Cost Adjustment filed each month shall include \$0.039 per therm for the recovery of the Winter 2002-2003 under-collection through October 2005; and
2. That Bangor Gas shall monitor its recovery and make a filing if necessary to recover the past under-collection in the period proposed or to discontinue the surcharge at an earlier time.

Dated at Augusta, Maine, this 11<sup>th</sup> day of May, 2004.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      Welch  
   Diamond  
   Reishus

NOTE: STAFF PERSON RESPONSIBLE FOR DOCUMENT, CHECK YES OR NO  
(See General Counsel if in doubt)

Attach Notice of Rights to Review or Appeal?    Yes \_\_\_\_\_    No \_\_\_\_\_  
-        If Yes (or nothing), attach Notice

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.